

ADMINISTRATIVE-INTERNAL USE ONLY

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MEMORANDUM FOR: Executive Advisory Group Members

FROM : Deputy Director of Central Intelligence

SUBJECT : Management of Automatic Data Processing Resources

1. (A/IUO) The purpose of this memorandum is to set forth Agency policy with respect to continuing Executive Advisory Group (EAG) involvement in the management of Agency Automatic Data Processing (ADP) resources. In the formulation and prioritization of the Agency's budget, ADP resource requirements should be evaluated within the context of component and directorate responsibilities and should compete with other available component resources (i.e., positions, contractor support, and the like). The EAG's review and management of ADP will therefore be concentrated on Agency-level considerations--utilization of the central ADP facility and the relationship of ODP costs to specific user office missions which directly benefit from these expenditures, long-range planning, and issues relating to the question of centralized/decentralized application of ADP technology.

2. (A/IUO) The EAG will, in conjunction with its review of the Agency's Program Plan each year, specifically focus attention on the proposed functional uses of ADP and on proposed major ADP investments. Included will be reviews of:

- a. Component ADP activities which in the aggregate exceed \$250 thousand of component-budgeted resources;
 - b. New ADP initiatives identified in program plans;
 - c. Expansion of ODP computing or service capacity;
- and
- d. The impact of the ZBB ranking process on requested ADP resources.

3. (A/IUO) The EAG will, during the first quarter of each fiscal year, review the planned current-year utilization of the central system (i.e., ODP) and at its discretion, other large ADP activities.

- a. The annual review of ODP will consist of examining projects--normally defined as individual user requirements---estimated to consume \$250 thousand of ODP resources in that fiscal year. Users and ODP will jointly present each project in accordance with criteria established by the EAG. This

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review will result in an EAG-approved plan for the consumption of ODP resources for the fiscal year that is sensitive both to user needs and to the level of resources that can be committed to the central ADP facility.

b. Concurrent with (a) above, the EAG will review, with ODP assistance, current-year component implementation plans for new ADP initiatives and expanded decentralized ADP capacity, the planning for which was reviewed some 15 months prior (i.e. the program plan). This review will primarily be directed towards changes in requirements and available technological alternatives.

c. The combination of (a) and (b) above are intended to insure that Agency ADP resources are being applied to those important problems where a high, economically acceptable payoff can be demonstrated or projected.

4. (A/IUO) Any (1) component ADP initiatives or (2) projects supported by ODP that were not included in the fall review described in paragraph 3 that are initially estimated to cost a total of \$250 thousand or more during the first three fiscal years, will require EAG approval prior to initiation. Likewise, ongoing projects not initially estimated to consume \$250 thousand of ODP resources (and, therefore, not reviewed in the fall) will require EAG approval if updated estimates indicate that ODP costs will exceed the review threshold. In each of the above cases, user offices, in coordination with ODP, will submit required data to the Comptroller, who will arrange for EAG review. User offices will be guided by the instructions contained in annual ADP guidance memoranda.

5. (A/IUO) Each year following the EAG's review of current-year ADP programs, an appropriate guidance memorandum will be issued. Attached is such guidance for Fiscal Year 1978.

6. (A/IUO) The policies established herein are intended to ensure that senior Agency management remains positively involved in ADP matters, both as a sound management practice and to assure external reviewers that our utilization of requested ADP resources is necessary, beneficial, and firmly under control.

/s/ Frank C. Carlucci

Frank C. Carlucci

Attachment:
As Stated

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Attachment to EAG Memorandum Concerning the Management of Automatic
Data Processing Resources

Subject: FY 1978 Review of Major ADP Projects and Issues

1. (A/IUO) The purpose of this guidance is to record decisions made by the EAG in its review of major ADP projects supported by the Office of Data Processing (ODP) in FY 1978 and to address other related ADP management issues.

2. (A/IUO) All projects reviewed are approved and ODP will support them in FY 1978 to the extent indicated during the individual project reviews. ODP will monitor the costs incurred within ODP for each project and will concurrently notify the user office and the Comptroller when incurred costs reach 75 percent of the approval level. User offices will be responsible for validating their project requirements for the remainder of the fiscal year. If increased requirements result in ODP costs projected to exceed the approval level by more than 10 percent, user offices in coordination with ODP will provide to the Comptroller, within ten working days of the ODP notification, justification for continued fiscal year ODP support. The justification will include:

--an explanation of the need for increased ODP services;

--a new projection of the cost of ODP services required for the remainder of the fiscal year; and

--a statement addressing the availability of ODP resources to provide the increased services and the impact on the user organization if the increase is not approved.

The Comptroller will arrange for EAG review of the increased funding request.

3. (A/IUO) ODP will concurrently inform the Comptroller and user offices in all instances where ongoing ODP-supported FY 1978 projects, not previously reviewed by the EAG, are estimated to grow to \$250 thousand or more. The user office, in coordination with ODP, will provide to the Comptroller, within ten working days of notification, a completed Project Decision Form. The Comptroller will arrange for EAG review of the project.

4. (A/IUO) New FY 1978 ADP projects estimated to consume \$250 thousand or more of ODP resources through FY 1980 will require EAG approval prior to initiation. The user office, in coordination with ODP, will submit a completed Project Decision Form to the Comptroller, who will arrange for EAG review of the project proposal.

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5. (A/IUO) During this EAG review process, several management issues were raised. One such issue concerned the rapid computer technology advancements that have resulted in increasingly decentralized ADP applications in the Agency. This has resulted in increasing numbers of personnel performing ADP responsibilities (application design and development primarily) outside of the ODP sub-career service. Every available indication suggests that this trend will continue. An Agency-wide study has questioned whether, given this trend, we should establish an Agency-wide ADP career service and common, Agency-wide ADP professional standards (feasibility studies, requirements definition, specification standards, and programming standards to name a few). Advantages suggested are uniformity, career mobility throughout the Agency, and comparable advancement opportunities for all ADP professionals. Because of the broad impact of this issue, I am asking that the Deputy Director for Administration formally study these issues and submit a report of his findings to me by 15 December 1978. I would like the report to include a full discussion of:

- the pros and cons of each specific issue;
- alternative solutions and the manner in which each would be implemented and maintained, if approved;
- the definition of an "ADP professional" and the approximate number of Agency personnel that would, if approved, be included in an expanded ADP career service;
- the impact on Agency components with "resident" ADP professionals and ongoing ADP programs; and
- conclusions reached and recommendations offered.

6. (A/IUO) Another issue raised during this review process was the need for a formal, long-range Agency ADP plan. There is some sentiment for this within the Intelligence Community but specific requirements for such a plan have not as yet crystalized. We will give more attention to this issue as future needs dictate.

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